PUBLIC SCOPING STATEMENT HAY RESERVOIR UNIT NATURAL GAS INFILL DEVELOPMENT ENVIRONMENTAL ASSESSMENT

BUREAU OF LAND MANAGEMENT RAWLINS FIELD OFFICE

DESCRIPTION OF PROJECT

Tom Brown, Inc. (TBI), of Denver, Colorado, has notified the Bureau of Land Management (BLM), Rawlins Field Office, that they propose infill drilling of additional natural gas wells within the existing Hay Reservoir Federal Oil and Gas Unit. Approximately 95 percent of the Unit lies within the administrative boundaries of BLM's Rawlins Field Office management area, with the remaining 5 percent within BLM's Rock Springs Field Office management area boundaries. The Rawlins Field Office has jurisdiction over oil and gas development of the entire Hay Reservoir Unit.

The project is located within the existing Hay Reservoir Federal Oil and Gas Unit, which is comprised of multiple sections or portions thereof, within T.23N.,R.96W.; T.23N.,R.97W.; T.24N.,R.96W.; and T.24N.,R97W.; Sweetwater County, Wyoming (Figure 1). The BLM and Tom Brown, Inc., have agreed on a proposed EA study area, which is confined to the existing Hay Reservoir Unit boundaries, or approximately 11,620 acres. Of this acreage, approximately 9,780 acres are federal surface, 1,280 acres State of Wyoming surface, and 560 acres private surface.

The project consists of the construction, drilling, completing, and producing of up to 25 infill natural gas wells within the project area (Unit) over the next three years, as well as the construction, utilization, and maintenance of appurtenant access roads, pipelines, and production facilities. A total of 6 wells are proposed for 2004, with a possible 10 wells in 2005, and 9 additional wells in 2006. Produced water from the wells would be trucked to authorized water disposal sites. The proposed wells are considered development wells and much of the infrastructure (main access roads, gas sales pipelines, compressors, etc.) is already in place. Construction of access roads and pipelines to the individual wells locations would still be required. Production equipment would be powered by natural gas.

It is anticipated that initial drilling operations would begin in the summer of 2004.

The primary objectives of this project are to:

- develop domestic gas reserves, consistent with the federal mineral leasing laws, to reduce U.S. dependency on foreign supplies
- further develop and enhance natural gas production, primarily from the Lewis formation, within the Hay Reservoir Unit
- maximize reservoir drainage while ensuring minimal additional surface disturbance

Approximately 14 days would be required to drill, log, and run casing for each well, with an additional 7 days required to run a bond log, perforate the well casing, and set production equipment. Completion of each well would take an additional 7 to 14 days.

The approximate size of each well pad would be 375 feet by 350 feet. A reserve pit would be excavated on the well pad to hold drilling fluids and cuttings. It is anticipated that total maximum surface disturbance for each well pad will be approximately 3.0 acres, not including soil stockpiles and cut/fill slopes.

Productive well pads would be reclaimed to the minimal size necessary for production operations. Drilling depths would vary in the project area between approximately 8,000 feet and 10,000 feet, primarily in the Lewis formation.

Each producing well will require a gas gathering line. All pipelines corridors would be located, where feasible, adjacent to access roads.

The proposed project area would be accessed by the use of existing public roads, and by the construction of new access roads. All roads associated with this project would be upgraded/constructed to BLM standards for resource roads.

At the end of the project, all remaining disturbances would be reclaimed to their original topography and revegetated.

RELATIONSHIP TO EXISTING PLANS AND DOCUMENTS

Great Divide Resource Management Plan (GDRMP) - The GDRMP (November 8, 1990) directs the management of BLM-administered lands within the analysis area. The objective for management of oil and gas resources, as stated in the GDRMP, is "to provide opportunity for leasing, exploration, and development of oil and gas while protecting other resource values." The development of natural gas within the Hay Reservoir Unit project area would be in conformance with the GDRMP. The Environmental Assessment (EA) that will be prepared for the Tom Brown, Inc. proposal will incorporate the appropriate decisions, terms, and conditions of use described in the GDRMP.

Use Authorizations - Use authorizations (i.e., rights-of-way, permits) for well pads, roads, pipelines, and well site facilities will be processed through the BLM Application for Permit to Drill (APD) and Sundry Notice when located on-lease. Any activity located off-lease would require an approved right-of-way.

NATIONAL ENVIRONMENTAL POLICY ACT

On reviewing the Tom Brown, Inc. proposal, the BLM has determined that an EA will be prepared. The impact analysis presented in the EA will allow for one of two outcomes as determined by the BLM, either: 1) the proposed project would not result in significant impacts and a Decision Record with a Finding of No Significant Impact (DR/FONSI) could be signed (which would allow the project to be implemented), or 2) the project, as proposed, would result in significant impacts and would require the preparation of an Environmental Impact Statement (EIS).

One element of the National Environmental Policy Act (NEPA) process is scoping. Scoping activities are conducted prior to the preparation of an EA:

- to determine reasonable development alternatives to be considered in the document
- to identify environmental and socioeconomic issues of concern related to the proposed project
- to determine the depth and range of analyses for issues addressed in the document

This scoping statement has been prepared to enable government agencies, the general public, and other interested parties to participate in, and contribute to, the analysis process. Public input is important in establishing the scope of analysis for any NEPA document, and the BLM encourages public participation.

IDENTIFIED RESOURCE MANAGEMENT ISSUES AND CONCERNS

The following issues and concerns have been identified to-date. This list is not meant to be all-inclusive, but rather to serve as a starting point for public input. Once issues and concerns have been gathered

through scoping and BLM consideration of the project, corresponding resource disciplines will be identified to conduct analysis for individual issues and concerns.

- potential effects upon wildlife and their habitats within the analysis area
- increased traffic and associated impacts upon county, state, and BLM roads and highways
- social and economic impacts to local communities
- impacts to ground water resources
- potential impacts to sensitive soils within the project area
- impacts from emissions resulting from drilling and production activities associated with the project
- reclamation of disturbed areas and control of nonnative plants
- potential impacts to cultural and historical resources within the analysis area
- · potential conflicts between mineral development activities and recreational activities
- cumulative effects of natural gas development activities when combined with other ongoing and proposed developments on lands within the BLM Rawlins Field Office area

INTERDISCIPLINARY TEAM

Based upon current understanding of issues, concerns, and opportunities, an interdisciplinary team (IDT) made up of the following specialists within the BLM Rawlins Field Office has been identified:

- Archaeologist
- Realty Specialist
- NEPA Specialist
- Civil Engineer (roads and surface activities)
- Petroleum Engineer
- Wildlife Biologist
- Natural Resource Specialist (surface protection)
- Hydrologist
- Recreation Planner
- Soil Scientist
- Geologist
- Range Management Specialist

TIMING NEEDS AND REQUIREMENTS

Government agencies, the public, and other interested parties are encouraged to participate throughout the environmental analysis process to help in identifying the level of analysis needed, alternatives to be considered, issues or concerns that should be assessed, mitigation opportunities, and any other comments or ideas to help ensure that the analysis process is comprehensive.

After a 30-day scoping period is completed, and the EA prepared, the EA will be released to the public for review and comment.

The scoping period for this project ends on April 26, 2004. Please submit your comments to:

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Rawlins Field Office
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Rawlins, Wyoming 82301

e-mail: rawlins_wymail@blm.gov

Please refer to the Hay Reservoir Unit Natural Gas Infill Development in your response.

REFERENCE CITED

U.S. Bureau of Land Management. 1990. Great Divide Resource Area Record of Decision and Approved Resource Management Plan. Prepared by the U.S. Department of the Interior, Bureau of Land Management, Rawlins Field Office, Rawlins, Wyoming. BLM-WY-PT-91-010-4410. 74 pp.